

Estimated Fiscal Impact of Bill # HB 199 Date February 10, 2009Short Title Statewide Equalization of School FundingContact Cathy Ann DudleyTitle MSP Budget and Property Tax SpecialistAgency Utah State Office of EducationPhone 801.538.7667**Short Form**

Use only when there is no appropriation needed for state agencies, and no fiscal impact on state revenues, local governments, businesses, or individuals.

If the bill looks like it should have a fiscal note, explain why it does not. For example, a bill might put into code something that is already current practice.

Attachments welcome.

- ☒ State agencies will not require an appropriation to implement the bill.
☐ There is no fiscal impact on local governments.
☐ There is no fiscal impact on businesses
☐ There is no fiscal impact on individuals.
☐ The bill will not affect revenues.

Explain why this bill has no fiscal impact.

A. What parts of the bill cause fiscal impact?

Cite specific sections or line numbers.

53A-21-603 states that in order to qualify for receipt of state funds, a school district shall impose a basic capital outlay tax rate of 0.000727 per dollar of taxable value.

B. Which program gets the appropriation?

(Approp. Unit Code)

(To appropriate to an additional program use an additional form.) This is ____ of ____.

C. Work Notes: Assumptions, calculations & what are we buying?

Assume that a legislator calls you in to explain how you came up with your fiscal impact and these are the only notes you get to take with you.

List all costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what \$50,000 will buy.

Attachments encouraged.

This bill is creating a Capital Outlay Equalization Fund which is funded by revenues from the new Basic Capital Outlay Levy, revenues from the rate reduction limitation increment, and legislative appropriations. Also, any interest earned on the fund shall be deposited into the fund. The rate reduction limitation increment means that for a receiving district whose combined capital levy certified tax rate would be less than 0.002400 the amount of revenue equal to the difference between (1) the amount of revenue that would have been generated by the combined capital levy certified tax rate and (2) the amount of revenue generated by a property tax rate of 0.002400 per dollar of taxable value.

The State Board of Education will distribute the revenues collected from this new Basic Capital Outlay levy. 53A-21-602 describes the distribution of funds as an amount equal to the product of the **adjusted allocation amount per student**; and **the average net enrollment increase in the school district over the prior three years, based on October 1 enrollment counts**.

Notes continued on the worksheet titled *C. Work Note (continued)*

Fiscal Impact Tables

Current Budget Year
FY 2009

Coming Budget Year
FY 2010

Future Budget Year
FY 2011

D. If this is a revenue bill, show impacts here. (Select funds from drop-down menu.)

Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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E. Show Costs to Implement the Bill by Fund (Select funds from drop-down menu.)

Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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F. Show Costs to Implement the Bill by Expense Category.

Personal Services			
Travel			
Current Expense			
DP Current Expense			
DP Capital Outlay			
Capital Outlay			
Other/Pass Thru			
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

G. How will the bill impact local governments?

Your estimate of the bill's impact
on local governments.

Attachments welcome.

School districts would be required to levy a new property tax, *Basic Capital Outlay Tax rate*.

H. How will the bill impact businesses?

Your estimate of the bill's impact
on businesses.

Attachments welcome.

Businesses may see an increase in their property taxes by the implementation of the *Basic Capital Outlay Tax rate*.

I. How will the bill impact individuals?

Your estimate of the bill's impact
on individuals.

Attachments welcome.

Individuals may see an increase in their property taxes by the implementation of the *Basic Capital Outlay Tax rate*. However, with the increased amount of funding for Capital Outlay Equalization, new schools may more easily be built and more renovations may be implemented.

A school district must have an average net enrollment increase over the prior three years in order to receive funding.

If a school district is in a county of the fourth through sixth class or has a school district property tax base per enrolled student less than 70% of the statewide average property tax base per enrolled student and a combined capital levy rate greater than 70% of the highest combined capital levy rate, the State Board of Education will allocate to that school district the **greater** of an amount equal to a school district's allocation in 53A-21-602(1) or an amount equal to the revenue generated within the school district by the imposition of the basic capital outlay levy.

The combined capital outlay certified tax rate shall be calculated in the same manner and with the same exceptions and adjustments as the calculation of a taxing entity's certified tax rate, in accordance with UCA 59-2-924. The ad valorem property tax revenue generated by the basic capital levy in UCA 53A-21-603 within a school district may not be considered in establishing the school district's aggregate certified tax rate calculated in accordance with UCA 53A-21-604 and shall be included by the commission in establishing a combined capital outlay certified tax rate in accordance with UCA 53A-21-604 and 59-2-913.

On the worksheet Tab titled *HB 199 Analysis* column 11 shows the amount of funds school districts would be entitled to receive. If revenues deposited into the Capital Outlay Equalization Outlay Fund are insufficient to fully fund the allocations, the State Board of Education would reduce each district's allocation by an equal percentage (UCA 53A-21-602 (3)).

DISTRICT	\$10,000 Base Allocation Amount per Growth Student	Prior Year Statewide Average Property Tax Base Per Enrolled Student \$369,160	Prior Year School District Property Tax Base Per Enrolled Student	Adjusted Allocation Amount Per Student	Average Net Enrollment	Amount of Funds Distributed (Entitled to)	County Class	Yield from the 0.000727	53A-21-602(2)
1	2	3	4	5	6	7	8	9	10
Col 2 X Col. 3/Col. 4				Col. 5 X Col. 6					
1 ALPINE	10,000		261,688	14,107	2,150	30,329,828	2	11,160,844	0
2 BEAVER	10,000		368,745	10,011	14	136,821	4	418,737	418,737
3 BOX ELDER	10,000		266,578	13,848	169	2,340,333	3	2,118,451	0
4 CACHE	10,000		237,462	15,546	384	5,964,520	3	2,450,377	0
5 CARBON	10,000		639,293	5,775	38	217,507	4	1,655,496	1,655,496
6 DAGGETT	10,000		1,705,354	2,165	-	-	6	166,132	166,132
7 DAVIS	10,000		223,652	16,506	853	14,074,134	2	10,495,667	0
8 DUCHESNE	10,000		328,965	11,222	121	1,354,106	4	1,010,202	1,354,106
9 EMERY	10,000		728,448	5,068	-	-	5	1,197,913	1,197,913
10 GARFIELD	10,000		561,548	6,574	-	-	5	380,893	380,893
11 GRAND	10,000		728,057	5,070	9	47,325	5	786,536	786,536
12 GRANITE	10,000		354,874	10,403	-	-	1	17,530,155	0
13 IRON	10,000		451,575	8,175	38	310,648	3	2,837,452	0
14 JORDAN	10,000		304,233	12,134	716	8,685,600	1	10,478,153	0
15 JUAB	10,000		324,724	11,368	70	799,580	5	506,852	799,580
16 KANE	10,000		1,257,471	2,936	3	7,829	5	1,076,906	1,076,906
17 MILLARD	10,000		660,002	5,593	-	-	4	1,368,451	1,368,451
18 MORGAN	10,000		396,233	9,317	82	767,080	5	628,837	767,080
19 NEBO	10,000		212,036	17,410	950	16,539,771	2	4,098,541	0
20 NO. SANPETE	10,000		236,821	15,588	3	41,568	4	402,875	402,875
21 NO. SUMMIT	10,000		1,062,621	3,474	2	6,948	3	772,526	0
22 PARK CITY	10,000		2,267,789	1,628	37	59,688	3	7,325,097	0
23 PIUTE	10,000		184,522	20,006	6	113,369	6	40,244	113,369
24 RICH	10,000		1,475,206	2,502	11	28,361	6	462,237	462,237
25 SAN JUAN	10,000		243,496	15,161	-	-	4	503,449	503,449
26 SEVIER	10,000		256,987	14,365	74	1,067,794	4	836,062	1,067,794
27 SO. SANPETE	10,000		159,350	23,167	64	1,474,943	4	337,232	1,474,943
28 SO. SUMMIT	10,000		1,110,478	3,324	28	91,973	3	1,109,254	0
29 TINTIC	10,000		126,528	29,176	-	-	5	21,893	21,893
30 TOOELE	10,000		199,594	18,496	538	9,944,430	3	1,884,625	0
31 Uintah	10,000		570,706	6,468	290	1,873,706	4	2,469,502	2,469,502
32 WASATCH	10,000		692,186	5,333	147	785,766	4	2,308,770	2,308,770
33 WASHINGTON	10,000		504,576	7,316	862	6,306,609	2	9,278,880	0
34 WAYNE	10,000		410,157	9,000	6	51,003	6	163,405	163,405
35 WEBER	10,000		250,740	14,723	368	5,422,907	2	5,486,325	0
36 SALT LAKE	10,000		790,884	4,668	-	-	1	13,532,550	0
37 OGDEN	10,000		234,812	15,722	114	1,792,255	2	2,151,436	0
38 PROVO	10,000		368,116	10,028	5	50,142	2	3,501,275	0
39 LOGAN	10,000		312,205	11,824	74	878,940	3	1,306,228	0
40 MURRAY	10,000		518,701	7,117	-	-	1	2,423,215	0
42 CANYONS	10,000		488,560	7,556	500	3,779,508	1	11,654,457	0
22,475,969				115,344,991		138,338,132 18,960,067			

DISTRICT	Funds Distributed to School Districts	Revenues Generated By 0.002400	Revenues Generated By Combined Capital Levy Col. 16	Rate Reduction Limitation Increment	Combined Capital Levy FY2007-08 0.005850	October 1, 2007 Fall Enrollment FY2007-08	Prior Year Derived Valuations (Prior Year Current Collections/ Prior Year Tax Rates FY2007-08	Prior Year Current Collections FY2007-2008	Prior Year Total Tax FY2007-08
1	11	12	13	14	15	16	17	18	19
1 ALPINE	30,329,828	36,844,603	57,339,413	20,494,810	0.003735	58,665	15,351,917,753	106,496,253	0.006937
2 BEAVER	418,737	1,382,352	2,362,094	979,742	0.004101	1,562	575,980,014	3,985,206	0.006919
3 BOX ELDER	2,340,333	6,993,511	10,513,578	3,520,067	0.003608	10,931	2,913,962,831	17,361,391	0.005958
4 CACHE	5,964,520	8,089,276	10,620,546	2,531,269	0.003151	14,194	3,370,531,784	21,099,529	0.006260
5 CARBON	1,655,496	5,465,186	6,569,609	1,104,423	0.002885	3,562	2,277,160,849	13,300,897	0.005841
6 DAGGETT	166,132	548,442	506,166	(42,276)	0.002215	134	228,517,419	934,865	0.004091
7 DAVIS	14,074,134	34,648,694	49,619,818	14,971,123	0.003437	64,551	14,436,955,973	103,599,596	0.007176
8 DUCHESNE	1,354,106	3,334,916	5,973,668	2,638,752	0.004299	4,224	1,389,548,197	10,668,951	0.007678
9 EMERY	1,197,913	3,954,596	2,876,969	(1,077,627)	0.001746	2,262	1,647,748,308	9,008,240	0.005467
10 GARFIELD	380,893	1,257,418	2,062,690	805,272	0.003937	933	523,924,326	3,348,400	0.006391
11 GRAND	786,536	2,596,542	2,869,179	272,637	0.002652	1,486	1,081,892,634	4,595,880	0.004248
12 GRANITE	17,530,155	57,871,214	63,127,850	5,256,635	0.002618	67,948	24,113,005,962	130,475,475	0.005411
13 IRON	2,837,452	9,367,105	13,746,227	4,379,122	0.003522	8,643	3,902,960,536	20,599,826	0.005278
14 JORDAN	10,478,153	34,590,878	60,101,650	25,510,772	0.004170	47,374	14,412,865,810	95,369,933	0.006617
15 JUAB	799,580	1,673,238	3,725,046	2,051,808	0.005343	2,147	697,182,401	5,304,861	0.007609
16 KANE	1,076,906	3,555,122	2,650,047	(905,075)	0.001789	1,178	1,481,300,801	5,160,852	0.003484
17 MILLARD	1,368,451	4,517,582	5,582,979	1,065,397	0.002966	2,852	1,882,326,013	10,902,432	0.005792
18 MORGAN	767,080	2,075,942	2,982,437	906,495	0.003448	2,183	864,975,920	4,547,178	0.005257
19 NEBO	16,539,771	13,530,258	30,623,484	17,093,226	0.005432	26,588	5,637,607,575	45,946,502	0.008150
20 NO. SANPETE	402,875	1,329,986	1,732,861	402,875	0.003127	2,340	554,160,832	3,469,047	0.006260
21 NO. SUMMIT	772,526	2,550,291	3,496,023	945,733	0.003290	1,000	1,062,621,096	5,613,827	0.005283
22 PARK CITY	7,325,097	24,181,889	20,534,454	(3,647,435)	0.002038	4,443	10,075,786,939	43,346,035	0.004302
23 PIUTE	113,369	132,856	193,083	60,228	0.003488	300	55,356,462	272,852	0.004929
24 RICH	462,237	1,525,954	1,190,880	(335,074)	0.001873	431	635,813,970	2,398,926	0.003773
25 SAN JUAN	503,449	1,662,004	3,035,927	1,373,923	0.004384	2,844	692,501,615	5,359,270	0.007739
26 SEVIER	1,067,794	2,760,039	4,181,460	1,421,420	0.003636	4,475	1,150,016,402	7,434,856	0.006465
27 SO. SANPETE	1,474,943	1,113,282	2,318,874	1,205,592	0.004999	2,911	463,867,563	3,851,956	0.008304
28 SO. SUMMIT	1,109,254	3,661,913	5,477,611	1,815,698	0.003590	1,374	1,525,796,888	9,623,201	0.006307
29 TINTIC	21,893	72,273	176,165	103,892	0.005850	238	30,113,619	272,950	0.009064
30 TOOELE	9,944,430	6,221,596	14,771,105	8,549,510	0.005698	12,988	2,592,331,578	21,804,101	0.008411
31 UINTAH	2,469,502	8,152,414	13,098,212	4,945,798	0.003856	5,952	3,396,839,142	20,428,591	0.006014
32 WASATCH	2,308,770	7,621,798	10,584,772	2,962,974	0.003333	4,588	3,175,749,277	20,070,735	0.006320
33 WASHINGTON	9,278,880	30,631,790	42,578,188	11,946,398	0.003336	25,295	12,763,245,737	72,176,155	0.005655
34 WAYNE	163,405	539,438	587,538	48,100	0.002614	548	224,765,845	917,494	0.004082
35 WEBER	5,486,325	18,111,666	22,730,140	4,618,475	0.003012	30,097	7,546,527,314	42,456,763	0.005626
36 SALT LAKE	13,532,550	44,674,167	44,692,781	18,614	0.002401	23,536	18,614,236,212	94,634,777	0.005084
37 OGDEN	2,151,436	7,102,404	14,092,353	6,989,949	0.004762	12,603	2,959,334,896	24,195,522	0.008176
38 PROVO	3,501,275	11,558,542	10,614,595	(943,948)	0.002204	13,083	4,816,059,364	25,231,335	0.005239
39 LOGAN	1,306,228	4,312,169	6,529,343	2,217,174	0.003634	5,755	1,796,737,229	13,123,369	0.007304
40 MURRAY	2,423,215	7,999,610	7,482,969	(516,641)	0.002245	6,426	3,333,170,890	16,962,507	0.005089
42 CANYONS	11,654,457	38,474,137	66,848,814	28,374,676	0.004170	32,813	16,030,890,575	106,076,403	0.006617
	187,540,088	456,687,093	630,801,596	174,114,503		515,457	190,286,288,552		